



**Senate Bill No. 97**

**Public Act No. 16-24**

**AN ACT CONCERNING THE PRIVATE OCCUPATIONAL SCHOOL STUDENT PROTECTION ACCOUNT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 10a-22u of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) There shall be an account to be known as the private occupational school student protection account within the General Fund. Each private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, shall pay to the State Treasurer an amount equal to four-tenths of one per cent of the tuition received by such school per calendar quarter exclusive of any refunds paid, except that distance learning and correspondence [and home study] schools authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, shall contribute to said account only for Connecticut residents enrolled in such schools. Payments shall be made by January thirtieth, April thirtieth, July thirtieth and October thirtieth in each year for tuition received during the three months next preceding the month of payment. In addition to amounts received based on tuition, the account shall also contain any amount required to be deposited into the account pursuant to sections 10a-22a to 10a-22o,

**Senate Bill No. 97**

inclusive. Said account shall be used for the purposes of section 10a-22v, as amended by this act. Any interest, income and dividends derived from the investment of the account shall be credited to the account. All direct expenses for the maintenance of the account may be charged to the account upon the order of the State Comptroller. The executive director may assess the account for all direct expenses incurred in the implementation of the purposes of this section which are in excess of the normal expenditures of the Office of Higher Education.

Sec. 2. Section 10a-22v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

Any student enrolled in a private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, who is unable to complete a course or unit of instruction at such school because of the insolvency or cessation of operation of the school and who has paid tuition for such course or unit of instruction, may make application to the executive director for a refund of tuition from the account established pursuant to section 10a-22u, as amended by this act, to the extent that such account exists or has reached the level necessary to pay outstanding approved claims, except that in the case of distance learning and correspondence [and home study] schools authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, only Connecticut residents enrolled in such schools may be eligible for such refund. Upon such application, the executive director shall determine whether the applicant is unable to complete a course or unit of instruction because of the insolvency or cessation of operation of the school to which tuition has been paid. The executive director may summon by subpoena any person, records or documents pertinent to the making of a determination regarding insolvency or cessation of operation. For the purpose of making any tuition refund pursuant to this section, a school shall be deemed to

**Senate Bill No. 97**

have ceased operation whenever it has failed to complete a course or unit of instruction for which the student has paid a tuition fee and, as a result, the school's authorization has been revoked pursuant to section 10a-22f. If the executive director finds that the applicant is entitled to a refund of tuition because of the insolvency or cessation of operation of the school, the executive director shall determine the amount of an appropriate refund which shall be equal to or a portion of the tuition paid for the uncompleted course or unit of instruction. Thereafter the executive director shall direct the State Treasurer to pay, per order of the Comptroller, the refund to the applicant or persons, agencies or organizations indicated by the applicant who have paid tuition on the student's behalf. If the student is a minor, payment shall be made to the student's parent, parents or legal guardian. In no event shall a refund be made from the student protection account for any financial aid provided to or on behalf of any student in accordance with the provisions of Title IV, Part B of the Higher Education Act of 1965, as amended from time to time. Each recipient of a tuition refund made in accordance with the provisions of this section shall assign all rights to the state of any action against the school or its owner or owners for tuition amounts reimbursed pursuant to this section. Upon such assignment, the state may take appropriate action against the school or its owner or owners in order to reimburse the student protection account for any expenses or claims that are paid from the account and to reimburse the state for the reasonable and necessary expenses in undertaking such action. Any student who falsifies information on an application for tuition reimbursement shall lose his or her right to any refund from the account.

Sec. 3. Section 10a-22w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

On or before June thirtieth of each year the State Treasurer shall determine the balance of the account established pursuant to section

**Senate Bill No. 97**

10a-22u, as amended by this act. [Following such determination by the State Treasurer, if the balance of the account is more than two million five hundred thousand dollars, schools which began payments to the account on or before October 1, 1987, shall cease further payments to the account until it falls below five per cent of such annual net tuition income at which time payment shall be resumed pursuant to section 10a-22u. Schools which begin payments to the account after October 1, 1987, shall continue to make payments to the account when the balance of the account is six per cent or more of such annual net tuition income for a period of time equal to the number of calendar quarters from October 1, 1987, to the date on which the account first equaled said six per cent, provided such schools shall make payments to the account pursuant to said section 10a-22u when the account falls below five per cent of such annual net tuition income.]

Approved May 17, 2016